

**00797**

**1986/05/27**

Department of State

INCOMING  
TELEGRAM

Ref to DIA  
Recommendation  
DPRY

PAGE 01 271358Z  
ACTION INR-10

8068 EAP 178

INFO C-01 P-01 RA-01 FILE-01 PMU-01 /000 A2 DDK

INFO LOG-00 AID-00 PM-10 EAP-00 ACDA-12 SP-02 /034 W  
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R 270555Z MAY 86  
FM DIA WASHINGTON DC//JSI-7//  
TO DIACURINTEL  
AIG 7011  
AIG 7046  
AIG 7036  
USDLO HONG KONG HK  
USDAO BEIJING CH

SERIAL: DIADIN 144-1A  
SUBJ: CHINA: ARMS DELIVERIES. 01  
DOI: 23 MAY 86 (AS OF 1800 EDT)

4. CHINA'S LEADERS ARE UNDOUBTEDLY AWARE ARMS SALES OF THIS MAGNITUDE WILL BE TRACED TO BEIJING AND WILL HAVE POLITICAL REPERCUSSIONS. THE DECISION TO ACCEPT THIS RISK MOST LIKELY STEMS FROM BEIJING'S PERCEPTION THAT OVER THE LONGER TERM GREATER ECONOMIC AND POLITICAL BENEFITS WILL ACCRUE THROUGH THE ESTABLISHMENT OF CLOSER TIES TO IRAN. MEANWHILE, CHINA CAN COMPENSATE FOR THE DWINDLING ARMS SALES TO IRAQ BY MAGNANIMOUSLY AGREEING TO FILL IRAN'S URGENT REQUIREMENT FOR WEAPON SYSTEMS TO COUNTER INCREASINGLY EFFECTIVE IRAQI AIR ATTACKS.

EOT